Financial Transactions and Reports Analysis Centre of Canada

2018–19

Departmental Plan

The Honourable William Francis Morneau, P.C., M.P.
Minister of Finance

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as represented by the Minister of Finance, 2018

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Director and Chief Executive Officer's message

As the new Director and Chief Executive Officer for the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC), I am pleased to present the 2018–19 Departmental Plan (DP); an outline of our corporate direction for the coming year.

FINTRAC is Canada's financial intelligence unit and plays a critical role in combating money laundering, terrorism financing and threats to the security of Canada. The Centre has two core responsibilities framed around a duty to protect the personal information entrusted to FINTRAC.

First, FINTRAC is responsible for ensuring the compliance of all reporting entities subject to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA). These compliance obligations allow for certain economic activities to be more transparent, which helps prevent and deter nefarious individuals and organizations from using Canada's legitimate economy to launder the proceeds of their crimes or finance terrorist activities. FINTRAC is committed to working with businesses to help them understand and comply with their obligations.

Second, based on the financial transaction reports it receives from reporting entities, FINTRAC produces actionable financial intelligence that is disclosed, when thresholds are met, to police, law enforcement and national security agencies. In addition, the Centre produces strategic financial intelligence, including specialized research reports and trends analysis that shine a light on the nature, scope and threat posed by money laundering and terrorism financing.

To maximize the results of both functions, a significant priority will be to implement FINTRAC's analytics system modernization project to replace the Centre's entire suite of tactical analytics tools. This will ensure that FINTRAC can provide even more timely, proactive and comprehensive financial intelligence in our continued effort to help protect Canada and Canadians.

As we look to the year ahead, we will continue to focus on ensuring the protection of the personal information entrusted to FINTRAC and on the strategic objectives we identified in our 2016–19 Strategic Plan anchored around our goal to be the leader in the exploitation of financial intelligence. As such, we will maintain our focus on our partnerships, our expertise and our people.

I invite you to read this report to learn more about our plans for the 2018–19 fiscal year.

Nada Semaan
Director and Chief Executive Officer

Plan at a glance

Our 2016–19 Strategic Plan continues to guide the Centre's activities and support its vision. The plan articulates an ambitious transformation agenda with strategic objectives that challenge the Centre to examine the effectiveness of its programs and renew its technologies and processes. These strategic objectives, along with some of the key supporting initiatives that will enable the Centre to realize its vision, are summarized below.

Strategic Objective: Maximize the potential of our people

The global financial sector is rapidly evolving, becoming increasingly transnational and technologically innovative. At the same time, the perpetrators of money laundering and terrorism financing are also becoming more sophisticated. To fully exploit financial intelligence opportunities in the face of these emerging realities, we must maximize the potential of our greatest asset – our people.

FINTRAC Priorities	Key Supporting Initiatives
Grow our talent and renew our workforce	Continue implementation of the FINTRAC Strategic Human Resources Plan 2016–19, focusing particularly on strategic recruitment, diversity and inclusion, and policy renewal.
	Complete analysis of the 2017 Public Service Employee Survey (PSES) results, undertake employee engagement activities and develop an action plan to respond to areas of concern or opportunities for improvement. The PSES provides concrete measures for evaluating the effectiveness of people management activities, and is leveraged as a powerful engagement tool.

Strategic Objective: Strengthen and expand our partnerships

FINTRAC's financial intelligence supports Canada's broader policing, national security and foreign policy priorities, including in relation to the links between money laundering and criminal activity, and the resourcing of terrorist groups. It is critical that FINTRAC continue to reach out to reporting entities, regime partners, international and domestic stakeholders and academia to ensure that the role of financial intelligence and the contribution it makes to the fight against money laundering and terrorist financing is clearly understood.

FINTRAC Priorities	Key Supporting Initiatives
Achieve compliance through collaboration and increased transparency	Increase the compliance program's transparency and effectiveness through a continued shift in reporting entity examinations from an audit to an assessment approach, while building on the best practices garnered from conducting joint assessments in partnership with the Office of the Superintendent of Financial Institutions (OSFI) and by exploring other engagement opportunities with partners.
	Continue to manage and cultivate relationships with external stakeholders, domestic and international partners and other regulators, to enhance dialogue, encourage information sharing, and strengthen the approach to compliance as a whole.
Harness the power of financial intelligence	Nurture strategic partnerships with reporting entities, regulators, stakeholders, disclosure recipients, and policy makers to support project level investigations in priority investigative areas, such as fentanyl production and distribution.
Facilitate partner collaboration to achieve common objectives	Continue to work closely with the Department of Finance and other regime partners to ensure that Canada's Anti-Money Laundering and Anti-Terrorism Financing (AML/ATF) regime is keeping pace with the evolving environment, including actively participating in the five-year PCMLTFA review and implementation of legislative, regulatory and operational measures to strengthen Canada's regime.
	Support FINTRAC's role as a global leader in the detection, prevention and deterrence of money laundering and the financing of terrorist activity through targeted international engagement, capacity building initiatives and technical assistance with current and future AML/ATF operational and policy development partners.

Strategic Objective: Leverage our expertise to anticipate and address future challenges

Given FINTRAC's role as Canada's financial intelligence unit, the Centre is uniquely positioned to provide a wide analytic perspective on the evolving nature, scope and threat posed by money laundering and terrorism financing. By continuing to modernize our business model and processes, we will enable further innovation in our analysis and provide the tools to deepen our insights.

FINTRAC Priorities	Key Supporting Initiatives
Modernize the Centre's analysis and systems to support an ever-changing environment	Enable the Centre's transformation agenda, including putting into production a newly developed analytics system and advancing other information technology investments.
	Continue to advance the planning and execution of FINTRAC's transformational Information Technology (IT) Infrastructure renewal in collaboration with Shared Services Canada (SSC) with particular focus on maintaining the health of the Centre's current infrastructure, consolidating networks and exploring innovative technology that will enhance effectiveness.

As a small agency striving to be the leader in the exploitation of financial intelligence, FINTRAC embraces the spirit and intent of 'experimentation' through its continued commitment to innovate and evolve its operational programs and internal services activities. A prime example of such innovation includes the use of public and private partnerships to mobilize partners across the country to combat human trafficking in the sex trade. Known as Project Protect, financial institutions committed to making the tracking of money laundering associated with the sex trade a priority in their compliance regime. FINTRAC produced an operational alert to highlight the indicators to watch for, and as the Suspicious Transaction and other reports began to roll in, a dedicated team undertook the analysis. In the calendar year prior to the start of Project Protect, FINTRAC issued 19 disclosures related to human trafficking. In the first 16-months after the initiative began, the Centre issued 134 disclosures to police across Canada and to two international partners.

In 2018–19, FINTRAC is committed to build upon the success of Project Protect and will further explore public and private partnerships with its major reporters, to continue the fight against money laundering, terrorist activity financing and threats to the security of Canada.

For more information on the FINTRAC's plans, priorities and the planned results, see the "Planned results" section of this report.

Planned results: what we want to achieve this year and beyond

Core Responsibilities

Core Responsibility: Compliance with Anti-Money Laundering and Anti-Terrorism Financing Legislation and Regulations

Description

The Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) is responsible for ensuring compliance with Part 1 and Part 1.1 of the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA) and its associated Regulations. This legal framework establishes obligations for reporting entities to develop a compliance regime in order to identify clients, monitor business relationships, keep records and report certain types of financial transactions. FINTRAC undertakes enabling and enforcement actions to ensure that the reporting entities operating within Canada's financial system fulfill their PCMLTFA obligations. These obligations provide important measures for countering patterns and behaviours observed in criminals and terrorists in order to deter them from operating within the legitimate channels of Canada's economy. FINTRAC also maintains a registry of money services businesses in Canada.

Planning highlights

FINTRAC administers a comprehensive, risk-based compliance program to ensure that reporting entities fulfill the aforementioned obligations.

The Centre's approach to compliance places more of FINTRAC's resources directed at higher-risk reporting entities and in those areas that most effectively facilitate the production of financial intelligence. This approach recognizes that the overall effectiveness of Canada's AML/ATF regime is dependent upon businesses submitting high-quality and timely financial transaction reports.

By establishing an effective compliance regime, keeping detailed and accurate records, ascertaining the identity of clients, and submitting high-quality financial transaction reports to FINTRAC, reporting entities play a unique role in protecting the integrity of Canada's financial system. Through the implementation of these requirements, reporting entities are helping to detect and deter criminals, terrorists and associated organizations that seek to exploit financial systems for illicit purposes.

In 2018–19, FINTRAC will continue to put greater emphasis on the effectiveness of its compliance program and the impact of non-compliant behaviour on Canada's AML/ATF regime and FINTRAC's ability to produce financial intelligence. With the implementation of a revised

process for administrative monetary penalties (AMP), FINTRAC is committed to publishing the new methodology for the AMP program on its public website to ensure transparency, consistency, and encourage change in behaviours. In addition, the Centre will continue to take part in key discussions with leading policy experts to exchange ideas and information, all in hopes of addressing money laundering and terrorism financing issues faced domestically and abroad.

To achieve the expected results for 2018–19, FINTRAC plans to undertake the following activities during the planning period:

- Continue to work closely with the Department of Finance and other regime partners to address deficiencies, gaps and vulnerabilities in Canada's AML/ATF regime, including actively participating in the five-year PCMLTFA review and supporting the implementation of legislative, regulatory and operational measures to strengthen Canada's regime.

- Increase the Compliance program's transparency and effectiveness through a continued shift in reporting entity examinations from an audit to an assessment approach, while building on the best practices garnered from conducting joint assessments in partnership with the Office of the Superintendent of Financial Institutions (OSFI) and by exploring other engagement opportunities with partners.

- Continue to provide effective guidance and support to enable reporting entities to understand and comply with their PCMLTFA obligations, including publishing sector-specific guidance; responding to enquiries and requests for policy interpretations; participating in a number of consultative forums and committees; and providing presentations, engaging in conferences, and working closely with sector associations and reporting entities.

- Continue to manage and cultivate relationships with external stakeholders, domestic and international partners and other regulators, to enhance dialogue, encourage information sharing, and strengthen the approach to compliance as a whole.

- Support FINTRAC's role as a global leader in the detection, prevention and deterrence of money laundering and the financing of terrorist activity through targeted international engagement, capacity building initiatives and technical assistance with current as well as future AML/ATF operational and policy development partners.

- Continue to build on our comprehensive and robust privacy protection regime by exploring new methods to identify, segregate and destroy financial transaction reports that do not meet the legislated threshold for reporting.

Planned results

Departmental Results	Departmental Result Indicators	Target [1]	Date to achieve target	2014–15 Actual results	2015–16 Actual results	2016–17 Actual results
Reporting entities understand their role and contribution in combating money laundering and terrorist activity financing	Percentage of follow-up examinations where reporting entities demonstrate higher rates of compliance with their money laundering and terrorism financing legislative and regulatory obligations	Greater than or equal to 80%	March 31, 2019	Not available[2]	Not available	Not available
Reporting entities meet their reporting obligations to FINTRAC and provide accurate transaction data that can be used to produce actionable financial intelligence	Percentage of follow-up examinations where reporting entities demonstrate improvement in the quality of their reporting to FINTRAC	Greater than or equal to 80%	March 31, 2019	Not available	Not available	Not available
	Percentage of Financial Transaction Reports submitted to FINTRAC that meet quality requirements	Greater than or equal to 80%	March 31, 2019	Not available	Not available	Not available

[1] Note: Targets are based on historical trends. 2018–19 will serve as the baseline year and results will inform the setting of future targets.

[2] Note: The indicators shown in the above table on Planned Results are new for 2018–19 as part of the transition to the Departmental Results Framework and prior year data is not available.

Budgetary financial resources (dollars)

2018–19 Main Estimates	2018–19 Planned spending	2019–20 Planned spending	2020–21 Planned spending
17,048,431 [3]	17,048,431	16,756,972	16,756,972

Human resources (full-time equivalents)

2018–19 Planned full-time equivalents	2019–20 Planned full-time equivalents	2020–21 Planned full-time equivalents
124 [3]	119	119

[3] Note: To comply with TBS' Guideline on the Attribution of Internal Services, the way in which FINTRAC codes its internal service expenditures has changed. This change has resulted in some financial and human resources figures shift from being reported under the programs to being reported under Internal Services. As a result, Internal Services figures are higher in the 2018–19 DP than in past reports.

Core Responsibility: Production and Dissemination of Financial Intelligence

Description

The Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) is mandated by the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA) to produce actionable financial intelligence, including disclosures that assist Canada's police, law enforcement, national security and other partner agencies in combatting money laundering, terrorism financing and threats to the security of Canada, while protecting the personal information entrusted to FINTRAC. FINTRAC also produces strategic financial intelligence for federal policy and decision-makers, reporting entities across the country, international partners and other stakeholders. FINTRAC's strategic intelligence provides a wide analytic perspective on the nature, scope and threat posed by money laundering and terrorism financing.

Planning highlights

In fulfilling its intelligence mandate, FINTRAC analyses and assesses the reports and information it receives and collects under the PCMLTFA. Where the Centre's analysis raises reasonable grounds to suspect that designated information would be relevant to the investigation or prosecution of a money laundering offence or a terrorist activity financing offence, FINTRAC must disclose this information to police. FINTRAC must also disclose designated information to other disclosure recipients listed in the PCMLTFA when separate legal thresholds are met, in addition to the legal threshold related to money laundering and terrorist activity financing.

The financial intelligence disclosed by FINTRAC is used in a wide variety of criminal investigations related to the funding of terrorist activities and the laundering of proceeds originating from such crimes as drug trafficking, fraud, tax evasion, corruption and human trafficking, to name a few.

FINTRAC describes its intelligence as "actionable" since it can show links between individuals and businesses that may have been previously unknown to investigators. Financial intelligence enables police, law enforcement and national security agencies to refine the scope of their investigations, to shift their sights to different targets and to identify assets for seizure and forfeiture.

FINTRAC also produces valuable strategic financial intelligence, providing a wide analytic perspective on the nature, scope and threat posed by money laundering and terrorism financing. Produced for the Canadian security and intelligence community, federal policy- and decision-makers, reporting entities across the country, international partners and other stakeholders, the Centre's strategic financial intelligence is invaluable in strengthening Canada's ability to prevent, detect, and deter the methods and techniques used by criminals to launder money or fund terrorist activities.

In 2018–19, FINTRAC will continue to provide the Centre's intelligence analysts with customized tools and training through the ongoing development and implementation of its new analytics system, and by adopting new practices and methods that support the Centre's ability to produce high-quality financial intelligence. By leveraging these initiatives, FINTRAC will optimize its business processes and systems to strengthen information exchange, and enhance the Centre's capacity to determine the intelligence value of the financial transaction reports it receives.

To achieve the expected results for 2018–19, FINTRAC plans to undertake the following activities during the planning period:

- Nurture strategic partnerships with reporting entities, regulators, stakeholders, disclosure recipients, and policy makers to support project[1] level ML/TF investigations in priority investigative areas including those related to the laundering of proceeds derived from the production and distribution of fentanyl.

- Cultivate relationships with international partners to enhance information sharing and to be the leader in the production of financial intelligence that supports investigations and prosecution of ML/TF offences and of offences in other jurisdictions that are substantially similar to ML/TF offences.

- Enhance intelligence-monitoring of international events related to money laundering and terrorists activity financing to determine their implications for Canada and support the work of other government agencies responding to these files in accordance to FINTRAC's mandate.

- Continue to produce strategic intelligence assessment products, including operational briefs and alerts, which provide indicator-based information for reporting entities, disclosure recipients and the general public on specific money laundering and terrorist financing issues, with a focus on methods, threats, and vulnerabilities.

[1] Gender-Based Analysis Plus (GBA+): While FINTRAC's policies, programs and legislation are financial transaction centric, it is worth noting that a priority project level investigation in 2017–18 was to counter human trafficking in the sex trade, a crime where the victims are largely vulnerable women and girls.

Planned results

Departmental Results	Departmental Result Indicators	Target [1]	Date to achieve target	2014–15 Actual results	2015–16 Actual results	2016–17 Actual results
Financial intelligence disclosures make an important contribution to investigations of money laundering and terrorist financing while respecting specific legislative thresholds and information limits	Number of police, law enforcement, national security and other partner agency major and project-level investigations supported by FINTRAC financial intelligence disclosures	Greater than or equal to 100	March 31, 2019	Not available[2]	Not available	Not available
	Percentage of FINTRAC's financial intelligence disclosures that align with partner investigative priorities	Greater than or equal to 85%	March 31, 2019	Not available	Not available	Not available
Law enforcement, partner agencies and international partners receive financial intelligence that is actionable	Percentage of feedback from disclosure recipients that indicates that the FINTRAC financial intelligence disclosure was actionable	Greater than or equal to 85%	March 31, 2019	Not available	Not available	Not available
	Percentage of feedback from proactive disclosure recipients that indicates that the independent analysis provided by FINTRAC was actionable	Greater than or equal to 75%	March 31, 2019	Not available	Not available	Not available
Key Stakeholders are well-informed on issues, trends, and risks in money laundering	Number of strategic financial intelligence products recognised by recipients for making a significant contribution to their	Greater than or equal to 5	March 31, 2019	Not available	Not available	Not available

and terrorism financing	understanding of money laundering and terrorism financing issues, trends and risks					

[1] Note: Targets are based on historical trends. 2018–19 will serve as the baseline year and results will inform the setting of future targets.

[2] Note: The indicators shown in the above table on Planned Results are new for 2018–19 as part of the transition to the Departmental Results Framework and prior year data is not available.

Budgetary financial resources (dollars)

2018–19 Main Estimates	2018–19 Planned spending	2019–20 Planned spending	2020–21 Planned spending
16,879,800 [3]	16,879,800	13,900,577	13,900,577

Human resources (full-time equivalents)

2018–19 Planned full-time equivalents	2019–20 Planned full-time equivalents	2020–21 Planned full-time equivalents
109 [3]	100	100

[3] Note: To comply with TBS' Guideline on the Attribution of Internal Services, the way in which FINTRAC codes its internal service expenditures has changed. This change has resulted in some financial and human resources figures shift from being reported under the programs to being reported under Internal Services. As a result, Internal Services figures are higher in the 2018–19 DP than in past reports.

Financial, human resources and performance information for FINTRAC's Program Inventory is available in the GC InfoBase.[i]

Internal Services

Description

Internal Services are those groups of related activities and resources that the federal government considers to be services in support of programs and/or required to meet corporate obligations of an organization. Internal Services refers to the activities and resources of the 10 distinct service categories that support Program delivery in the organization, regardless of the Internal Services delivery model in a department. The 10 service categories are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; and Acquisition Services.

Planned Results

FINTRAC's Internal Services support the Centre's core responsibilities and programs. Their focus is on the development and delivery of effective and integrated services, policies, advice and guidance in the fields of finance, human resources, security, communication, procurement, administration, information management, and information technology. The overall objective of the program is to ensure that FINTRAC has the proper capacity, processes and systems to allow its workforce to focus on, and perform well, in meeting their operational objectives.

Over the planning period, Internal Services will focus on activities that leverage advancements in information technology, enhance the leadership capacity of FINTRAC's workforce, and adapt the Centre's security posture to an ever changing environment while ensuring its information, assets and services are protected against compromise. To realize these objectives, FINTRAC will undertake the following activities:

- Continue to advance the Centre's strategic policy and planning objectives, and ensure productive and effective relations with federal, provincial, territorial and international governments, as a key contributor to Canada's AML/ATF regime.

- Continue the implementation of the FINTRAC Strategic Human Resources Plan 2016–19, with a particular focus on strategic recruitment, diversity and inclusion, and policy renewal[2].

- Complete analysis of the 2017 Public Service Employee Survey (PSES) results, undertake employee engagement activities and develop an action plan to respond to areas of concern or opportunities for improvement. The PSES provides concrete measures for

[2] Gender-Based Analysis Plus (GBA+): FINTRAC will continue to communicate with employees via means such as the employment equity and multiculturalism committee, its champion and the action plan. Awareness and a better understanding of related notions, such as gender, will be promoted through LGBTQ2 information sessions at the Canada School of Public Service and GBA+ online training through the Status of Women Canada.

evaluating the effectiveness of people management activities, and is leveraged as a powerful engagement tool.

- Continue to advance FINTRAC's key investment: putting into operations the new analytics system. Also, FINTRAC will continue to advance other important investments, such as the implementation of new legislations and regulations, the modernizing of the HR system, Financial Management Transformation, the planning and execution of FINTRAC's transformational Information Technology (IT) Infrastructure renewal in collaboration with SSC with particular focus on maintaining the health of the Centre's current infrastructure, consolidating networks and exploring innovative technology that will enhance effectiveness.

- Continue to work closely with SSC and other central agencies to develop a data center transformation strategy, to implement new government-wide policies and initiatives, and ensure the ongoing integrity of information technology infrastructure, systems and services.

- Continue to expand on our external communication strategies, including the use of different social media vehicles, for engagement with key domestic and international partners to increase awareness, understanding and collaboration.

- Ensure the ongoing integrity of our privacy protection and security regime by evaluating options and implementing appropriate measures to prevent data loss, actively monitor systems for indications of inappropriate access, use, or disclosure, and attempts to defeat security protocols, and by engaging SSC to ensure the ongoing protection of FINTRAC's information holdings.

Budgetary financial resources (dollars)

2018–19 Main Estimates	2018–19 Planned spending	2019–20 Planned spending	2020–21 Planned spending
17,962,944 [1]	17,962,944	18,387,816	18,387,816

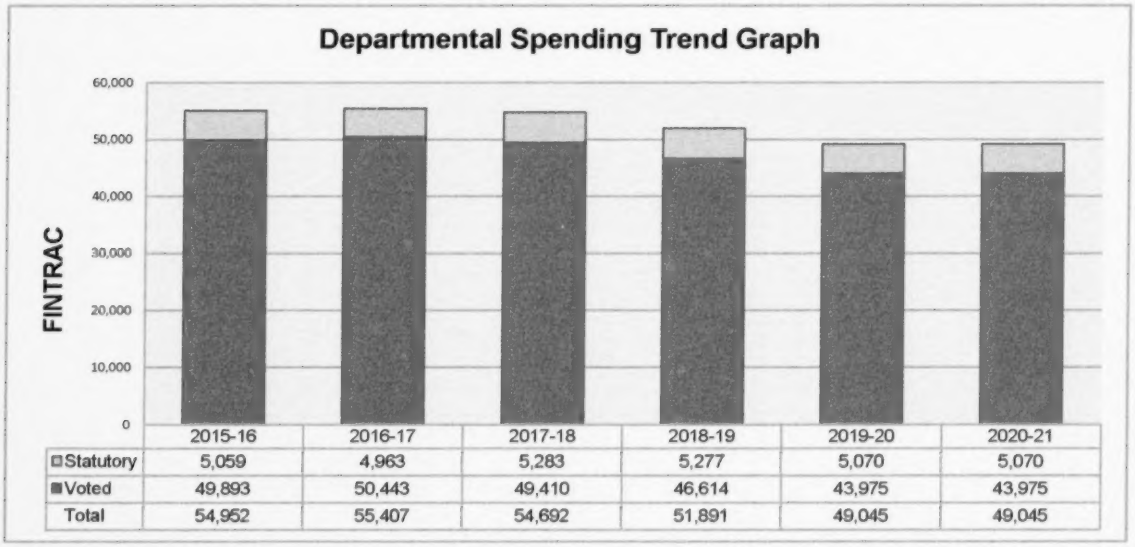
Human resources (full-time equivalents)

2018–19 Planned full-time equivalents	2019–20 Planned full-time equivalents	2020–21 Planned full-time equivalents
120 [1]	120	120

[1] Note: To comply with TBS' Guideline on the Attribution of Internal Services, the way in which FINTRAC codes its internal service expenditures has changed. This change has resulted in some financial and human resources figures shift from being reported under the programs to being reported under Internal Services. As a result, Internal Services figures are higher in the 2018–19 DP than in past reports.

Spending and human resources

Planned spending



	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Statutory	5,059	4,963	5,283	5,277	5,070	5,070
Voted	49,893	50,443	49,410	46,614	43,975	43,975
Total	54,952	55,407	54,692	51,891	49,045	49,045

(thousands of dollars)

Actual Spending (2015–16 and 2016–17)

The resources available for spending in 2015–16 and 2016–17 were $56,316,961 and $58,646,951, respectively. Resources available for spending increased by $2,329,990 from 2015–16 to 2016–17 primarily as a result of:

- an increase of $0.3M due to funding received for legislative amendments;
- an increase of $2.1M due to funding received for modernization of FINTRAC's analytics system;
- an increase of $0.4M due to funding received for disclosing to provincial securities regulators; and
- a decrease of $0.5M due to adjustments to the Centre's employee benefit plan contributions, Canada School of Public Service reductions, transfers to SSC, and a decrease in the Operating Budget Carry Forward amount from 2015–16.

Actual spending for 2015–16 was $54,952,391 and 2016–17 was $55,406,525.

Forecast Spending (2017–18)

Forecasted spending for 2017–18 is $54,692,450.

FINTRAC's overall spending is expected to decrease compared to 2016–17 commensurate with the organization's decrease in authorities due to the profile of funds received via Budget announcements. In 2017–18, FINTRAC's funding profile related to Budget 2014 and Budget 2015 decreased by $4.9M.

Planned Spending (2018–19 to 2020–21)

Planned spending is expected to be $51,891,175 in 2018–19 and $49,045,365 in 2019–20, a decrease of $2,845,810. Planned spending is lower in 2019–20 primarily due to:

- the end of funding received via Budget 2014 and Budget 2015 in 2018–19 (-$2.6M budgetary and -$0.3M statutory); and
- an increase in statutory adjustments (+$0.1M)

Planned spending is expected to stabilize at $49,045,365 in 2019–20 and 2020–21.

Budgetary planning summary for Core Responsibilities and Internal Services (dollars)

Core Responsibilities and Internal Services	2015–16 Expenditures	2016–17 Expenditures	2017–18 Forecast spending	2018–19 Main Estimates[1]	2018–19 Planned spending	2019–20 Planned spending	2020–21 Planned spending
Compliance with Anti-Money Laundering and Anti-Terrorism Financing Legislation and Regulations	22,081,112	20,353,044	22,312,554	17,048,431	17,048,431	16,756,972	16,756,972
Production and Dissemination of Financial Intelligence	24,973,253	27,084,324	24,693,035	16,879,800	16,879,800	13,900,577	13,900,577
Subtotal	47,054,365	47,437,368	47,005,589	33,928,231	33,928,231	30,657,549	30,657,549
Internal Services	7,898,026	7,969,157	7,686,861	17,962,944	17,962,944	18,387,816	18,387,816
Total	54,952,391	55,406,525	54,692,450	51,891,175	51,891,175	49,045,365	49,045,365

[1] Note: To comply with TBS' Guideline on the Attribution of Internal Services, the way in which FINTRAC codes its internal service expenditures has changed. This change has resulted in some financial and human resources figures shift from being reported under the programs to being reported under Internal Services. As a result, Internal Services figures are higher in the 2018–19 DP than in past reports.

Planned human resources

Human resources planning summary for Core Responsibilities and Internal Services (full-time equivalents)

Core Responsibilities and Internal Services	2015–16 Full-time equivalents	2016–17 Full-time equivalents	2017–18 Forecast full-time equivalents	2018–19 Planned full-time equivalents[1]	2019–20 Planned full-time equivalents	2020–21 Planned full-time equivalents
Compliance with Anti-Money Laundering and Anti-Terrorism Financing Legislation and Regulations	150	150	151	124	119	119
Production and Dissemination of Financial Intelligence	136	152	150	109	100	100
Subtotal	286	302	301	233	219	219
Internal Services	53	51	51	120	120	120
Total	339	353	352	353	339	339

[1] Note: To comply with TBS' Guideline on the Attribution of Internal Services, the way in which FINTRAC codes its internal service expenditures has changed. This change has resulted in some financial and human resources figures shift from being reported under the programs to being reported under Internal Services. As a result, Internal Services figures are higher in the 2018–19 DP than in past reports.

FTEs increased from 2015–16 to 2016–17 primarily due to additional hiring related to funding that was received to implement legislative amendments and to facilitate disclosures to provincial securities regulators as well as the materialization of planned staffing. Overall forecast and planned FTEs are expected to remain stable from 2017–18 to 2018–19, and decrease for the 2019–20 and 2020–21 fiscal years as funding identified in Budget 2014 and Budget 2015 ends in 2018–19.

Estimates by vote

For information on FINTRAC's organizational appropriations, consult the 2018–19 Main Estimates[ii].

Future-Oriented Condensed Statement of Operations

The Future-Oriented Condensed Statement of Operations provides a general overview of the Financial Transaction and Reports Analysis Centre of Canada's operations. The forecast of financial information on expenses and revenues is prepared on an accrual accounting basis to strengthen accountability and to improve transparency and financial management.

Because the Future-Oriented Condensed Statement of Operations is prepared on an accrual accounting basis, and the forecast and planned spending amounts presented in other sections of the Departmental Plan are prepared on an expenditure basis, amounts may differ.

A more detailed Future-Oriented Statement of Operations and associated notes, including a reconciliation of the net cost of operations to the requested authorities, are available on FINTRAC's website[iii].

Future-Oriented Condensed Statement of Operations

for the year ended March 31, 2019 (dollars)

Financial information	2017–18 Forecast results	2018–19 Planned results	Difference (2018–19 Planned results minus 2017–18 Forecast results)
Total expenses	54,141,565	54,649,688	508,123
Total revenues	0	0	0
Net cost of operations before government funding and transfers	54,141,565	54,649,688	508,123

Supplementary information

Corporate information

Organizational profile

Appropriate minister: The Honourable William Francis Morneau, Minister of Finance

Institutional Head: Nada Semaan, Director and Chief Executive Officer

Ministerial portfolio: Finance

Enabling instrument: Proceeds of Crime (Money Laundering) and Terrorist Financing Act, S.C. 2000, c. 17. (PCMLTFA)

Year of commencement: 2000

Raison d'être, mandate and role

"Raison d'être, mandate and role: who we are and what we do" is available on FINTRAC's website.

Operating context and key risks

Information on operating context and key risks is available on FINTRAC's website.

Reporting framework

FINTRAC's Departmental Results Framework and Program Inventory of record for 2018–19 are illustrated below:

Departmental Results Framework
Core Responsibility 1: Compliance with Anti-Money Laundering and Anti-Terrorism Financing Legislation and Regulations
Departmental Result: Reporting entities understand their role and contribution in combating money laundering and terrorist activity financing
Indicator: Percentage of follow-up examinations where reporting entities demonstrate higher rates of compliance with their money laundering and terrorism financing legislative and regulatory obligations
Departmental Result: Reporting entities meet their reporting obligations to FINTRAC and provide accurate transaction data that can be used to produce actionable financial intelligence
Indicator: Percentage of follow-up examinations where reporting entities demonstrate improvement in the quality of their reporting to FINTRAC
Indicator: Percentage of Financial Transaction Reports submitted to FINTRAC that meet quality requirements
Core Responsibility 2: Production and Dissemination of Financial Intelligence
Departmental Result: Financial intelligence disclosures make an important contribution to investigations of money laundering and terrorist financing while respecting specific legislative thresholds and information limits
Indicator: Number of police, law enforcement, national security and other partner agency major and project-level investigations supported by FINTRAC financial intelligence disclosures
Indicator: Percentage of FINTRAC financial intelligence disclosures that align with partner investigative priorities
Departmental Result: Law enforcement, partner agencies and international partners receive financial intelligence that is actionable
Indicator: Percentage of feedback from disclosure recipients that indicates that the FINTRAC financial intelligence disclosure was actionable
Indicator: Percentage of feedback from proactive disclosure recipients that indicates that the independent analysis provided by FINTRAC was actionable
Departmental Result: Key Stakeholders are well-informed on issues, trends, and risks in money laundering and terrorism financing
Indicator: Number of strategic financial intelligence products recognised by recipients for making a significant contribution to their understanding of money laundering and terrorism financing issues, trends and risks
Program Inventory
Program: Compliance Program
Program: Strategic Policy and Reviews
Program: Financial Intelligence Program
Program: Strategic Intelligence and Research

Concordance between Departmental Results Framework and Program Inventory, 2018–19, and Strategic Outcomes and Program Alignment Architecture, 2017–18

2018–19 Departmental Results Framework and Program Inventory of record	2017–18 Strategic Outcomes and Program Alignment Architecture of record	Percentage of Program Alignment Architecture program (dollars) corresponding to new program in the Program Inventory
Core Responsibility 1: Compliance with Anti-Money Laundering and Anti-Terrorism Financing Legislation and Regulations		
Program 1.1: Compliance	Program 1.2: Compliance	98%
Program 1.2: Strategic Policy and Reviews		2%
Core Responsibility 2: Production and Dissemination of Financial Intelligence		
Program 2.1: Financial Intelligence	Program 1.1: Financial Intelligence	90%
Program 2.2: Strategic Intelligence and Research		10%
Internal Services	Internal Services	100%

Effective April 1, 2018, FINTRAC's reporting structure has transitioned from the Policy on Management, Resources and Results Structure (MRRS) to the Policy on Results. The Centre's Core Responsibilities remain Compliance and Financial Intelligence, while the functions of Strategic Policy and Reviews, as well as Strategic Intelligence and Research, and have now been captured at the program level of the structure.

Supporting information on the Program Inventory

Supporting information on planned expenditures, human resources, and results related to the FINTRAC's Program Inventory is available in the GC InfoBase[iv].

Supplementary information tables

The following supplementary information tables are available on FINTRAC's website:

- Departmental Sustainable Development Strategy
- Gender-Based Analysis Plus

Federal tax expenditures

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures each year in the Report on Federal Tax Expenditures[v]. This report also provides detailed background information on tax expenditures, including descriptions, objectives, historical information and references to related federal spending programs. The tax measures presented in this report are the responsibility of the Minister of Finance.

Organizational contact information

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Appendix: definitions

appropriation (crédit)

Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

arm's length (sans lien de dépendance)

FINTRAC acts at arm's length and is independent from the police services, law enforcement agencies and other entities to which it is authorized to disclose financial intelligence. The agency is governed by the Proceeds of Crime (Money Laundering) and Terrorist Financing Act and reports to Parliament through the Minister of Finance.

budgetary expenditures (dépenses budgétaires)

Operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

Core Responsibility (responsabilité essentielle)

An enduring function or role performed by a department. The intentions of the department with respect to a Core Responsibility are reflected in one or more related Departmental Results that the department seeks to contribute to or influence.

Departmental Plan (plan ministériel)

A report on the plans and expected performance of appropriated departments over a three-year period. Departmental Plans are tabled in Parliament each spring.

Departmental Result (résultat ministériel)

Any change or changes that the department seeks to influence. A Departmental Result is often outside departments' immediate control, but it should be influenced by Program-level outcomes.

Departmental Result Indicator (indicateur de résultat ministériel)

A factor or variable that provides a valid and reliable means to measure or describe progress on a Departmental Result.

Departmental Results Framework (cadre ministériel des résultats)

The department's Core Responsibilities, Departmental Results and Departmental Result Indicators.

Departmental Results Report (rapport sur les résultats ministériels)

A report on the actual accomplishments against the plans, priorities and expected results set out in the corresponding Departmental Plan.

experimentation (expérimentation)

Activities that seek to explore, test and compare the effects and impacts of policies, interventions and approaches, to inform evidence-based decision-making, by learning what works and what does not.

full-time equivalent (équivalent temps plein)

A measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

gender-based analysis plus (GBA+) (analyse comparative entre les sexes plus [ACS+])

An analytical process used to help identify the potential impacts of policies, Programs and services on diverse groups of women, men and gender-diverse people. The "plus" acknowledges that GBA goes beyond sex and gender differences to consider multiple identity factors that intersect to make people who they are (such as race, ethnicity, religion, age, and mental or physical disability).

government-wide priorities (priorités pangouvernementales)

For the purpose of the 2018–19 Departmental Plan, government-wide priorities refers to those high-level themes outlining the government's agenda in the 2015 Speech from the Throne, namely: Growth for the Middle Class; Open and Transparent Government; A Clean Environment and a Strong Economy; Diversity is Canada's Strength; and Security and Opportunity.

horizontal initiative (initiative horizontale)

An initiative in which two or more federal organizations, through an approved funding agreement, work toward achieving clearly defined shared outcomes, and which has been designated (by Cabinet, a central agency, etc.) as a horizontal initiative for managing and reporting purposes.

internal services (services internes)

To comply with TBS' Guideline on the Attribution of Internal Services, the way in which FINTRAC codes its internal service expenditures has changed. This change has resulted in some financial and human resources figures shift from being reported under the programs to being reported under Internal Services. As a result, Internal Services figures are higher in the 2018–19 DP than in past reports.

non-budgetary expenditures (dépenses non budgétaires)

Net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

performance (rendement)
What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve, and how well lessons learned have been identified.

performance indicator (indicateur de rendement)
A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

performance reporting (production de rapports sur le rendement)
The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

planned spending (dépenses prévues)
For Departmental Plans and Departmental Results Reports, planned spending refers to those amounts presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their Departmental Plans and Departmental Results Reports.

plan (plan)
The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

priority (priorité)
A plan or project that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Departmental Results.

Program (programme)
Individual or groups of services, activities or combinations thereof that are managed together within the department and focus on a specific set of outputs, outcomes or service levels.

Program Alignment Architecture (architecture d'alignement des programmes)[3]

3. Under the Policy on Results, the Program Alignment Architecture has been replaced by the Program Inventory.

A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

result (résultat)

An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

statutory expenditures (dépenses législatives)

Expenditures that Parliament has approved through legislation other than appropriation acts. The legislation sets out the purpose of the expenditures and the terms and conditions under which they may be made.

Strategic Outcome (résultat stratégique)

A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

sunset program (programme temporisé)

A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

target (cible)

A measurable performance or success level that an organization, Program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

voted expenditures (dépenses votées)

Expenditures that Parliament approves annually through an Appropriation Act. The Vote wording becomes the governing conditions under which these expenditures may be made.

Endnotes

i. GC InfoBase, https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start
ii. 2017–18 Main Estimates, http://www.tbs-sct.gc.ca/hgw-cgf/finances/pgs-pdg/gepme-pdgbpd/index-eng.asp
iii. FINTRAC, http://www.fintrac-canafe.gc.ca/publications/pub-eng.asp
iv. GC InfoBase, https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start
v. Report on Federal Tax Expenditures, http://www.fin.gc.ca/purl/taxexp-eng.asp